

Top Secret

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NATIONAL INTELLIGENCE DAILY CABLE

Wednesday December 22, 1976

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NATIONAL SECURITY INFORMATION
Unauthorized Disclosure Subject to Criminal Sanctions

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National Intelligence Daily Cable for Wednesday, December 22, 1976.

The NID Cable is for the purpose of informing senior US officials.

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EGYPT-SYRIA-JORDAN: Relations

- 25X1 [] The plans for eventual unity between Egypt and Syria announced yesterday following President Asad's four-day visit to Cairo will probably never come to fruition. The announcement, however, underscores--primarily for US and Israeli benefit--the two sides' determination not to be divided again on Middle East peace negotiating tactics.
- 25X1 [] Egypt and Syria in fact probably do not intend to work toward a full merger. Their joint declaration on the subject and subsequent press conference statements by foreign ministers Fahmi and Khaddam spoke of "relations of unity" rather than of "union." Moreover, a separate communique issued by presidents Sadat and Asad made only brief mention of the unified political command to be established to lay the basis for "unity."
- 25X1 [] Although the political command is to establish committees to discuss integration of policies in the areas of defense and national security, foreign affairs, financial and economic affairs, education, and culture, it is likely that at most the committees will serve as a framework for coordination on key policy matters of mutual interest.
- 25X1 [] Neither Sadat nor Asad has any illusions about the fate of past Arab unity schemes, and both would resist full integration of policies. They are particularly interested now in coordinating strategies for forthcoming peace negotiations and in presenting a solid Arab front against Israel when talks begin.
- 25X1 [] Their various statements yesterday stressed the need for united Arab action as the only effective means of bringing about progress in negotiations. The statements were clearly intended to convey the message to Israel and the US that, despite the bitter inter-Arab feuding of the past year, the Arabs do not basically differ on strategy and will not in the long run fall prey to Israel's openly stated policy of attempting to divide them on tactics.

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[] Asad and Sadat probably still harbor private suspicions about each other, and each no doubt views the unified political command as a useful mechanism for keeping the other in line.

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[] This is particularly true of Asad, who almost certainly fears that Sadat, despite his disclaimers, could again adopt an independent negotiating policy, as he did last year in pursuit of the second Sinai agreement. Asad probably looks on the joint command as a means of better ensuring that Sadat will indeed coordinate policy and of preventing Sadat from again moving too far ahead of Syria and the other Arabs.

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[] Sadat, for his part, has become increasingly concerned over the last year about Asad's rising stature in the Arab world and particularly about Syria's efforts to gain control over the Palestine Liberation Organization. He probably sees the joint command as a way of maintaining some Egyptian influence not only over the Palestinian movement but over Syrian negotiating policies as well. []

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USSR-JAPAN: Relations Improving

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[] The USSR informed Japan late last week that it was ready to schedule two economic meetings the Soviets had threatened to postpone because of Japan's handling of the MIG-25 incident.

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[] The Soviets also promised an early meeting to work out the problems for Japan that result from the USSR's recent imposition of a 200-mile exclusive fisheries zone.

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25X1 [] The Soviets have also indicated, in an article in a Tokyo newspaper, that they are willing to receive the new Japanese foreign minister in the USSR.

25X1 [] The USSR sent two formal protest notes to the Japanese government over the MIG-25 incident and ostentatiously refused to exchange greetings on the 20th anniversary of the normalization of Soviet-Japanese diplomatic relations in October. The Soviets also seized an above-average number of Japanese fishing boats in September and October for alleged violation of Soviet territorial waters.

25X1 [] The Soviets were reluctant to carry out threats to retaliate in other economic areas because Soviet-Japanese economic cooperation benefits the USSR as much as it does Japan. The Soviets, moreover, did not want to give China an advantage with new Japanese leaders by prolonged remonstrances over the MIG-25 affair. []

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LEBANON: Situation Report

25X1 [] Fighting has once again broken out between pro-Syrian and pro-Iraqi Palestinian groups in refugee camps near Beirut, forcing units of the Arab peacekeeping forces to intervene. We are not sure who started the fighting; Syria may have initiated the conflict as a pretext for moving against the more extreme fedayeen groups.

25X1 [] Clashes have also taken place between rival wings of the extremist Popular Front for the Liberation of Palestine - General Command; one wing is generally pro-Syrian in orientation.

25X1 [] Members of the Syrian-controlled Saiqa fedayeen group began returning to Lebanon after Syria's intervention there was blessed by the other Arab states at conferences in Riyadh and Cairo in October. There have been several clashes since with members of other fedayeen groups, particularly with the "rejectionists" who, unlike the more moderate Fatah, did not reconcile with Syria following the settlement.

25X1 [] Little progress has been made on the major problem plaguing the cease-fire--the collection of heavy weapons from the combatants. The quadripartite committee--representatives of

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Syria, Egypt, Saudi Arabia, and Kuwait charged with overseeing the truce--has so far failed to agree on a course of action. All the parties have been caching their weapons since the cease-fire and have shown no disposition to hand them over voluntarily.

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[redacted] Camille Shamun's National Liberal Party has made the first token gesture to initiate the handing in of heavy arms. On Saturday, the party moved two armored cars, two armored personnel carriers, several artillery pieces, and some ammunition to an assembly area in the mountains. A spokesman has made it clear, however, that the party will turn no arms over to the Lebanese government until the quadripartite committee has adopted a definitive plan.

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[redacted] The Syrians have as yet made no effort to send peacekeeping forces--either their own troops or those of some of the other countries minimally involved in the peacekeeping effort--to southern Lebanon, where the Palestinians have considerable freedom of activity. The border has nevertheless been generally quiet in recent days, although some shelling activity has taken place. On Monday, Israeli gunboats chasing a ship that was trying to deliver supplies to the leftist-held port of Tyre was fired on from leftist positions near the coast.

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[redacted] The Syrians, meanwhile, also have begun to silence some of their more vocal critics among Lebanon's traditionally freewheeling press. Syrian troops on December 15 occupied the

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offices of three papers subsidized by Iraq. In the next few days, four more papers--two of them widely respected independents--were closed, possibly in reaction to their condemnation of the initial Syrian move.

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[] The Syrians may have acted to try to force the Lebanese government to inaugurate press censorship, something the Sarkis government itself has been considering. Steps recently have been taken to bring the government-owned radio and television under the control of the Ministry of Information, and Sarkis had been pressing the media to come up with a system of self-censorship. If the government asks for emergency powers, it may move to regulate the press as well as establish broad security measures. []

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USSR: Brezhnev's Birthday

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[] The celebration of General Secretary Brezhnev's 70th birthday last weekend boosted his prestige--if not his authority--as the top Soviet leader and as the major figure in the world communist movement. The outpouring of personal praise and honors also took note of his status as a military commander. Beneath it all, however, there were signs of an effort to keep Brezhnev's cult of personality under control.

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[] In addition to the medals bestowed by the East European leaders, Brezhnev received from the Soviet party and the state another Order of Lenin, the title Hero of the Soviet Union for the second time, and a ceremonial sword embossed with the state seal. Tass commented that the sword was presented to "Marshal Brezhnev" in recognition of his services in strengthening the nation's defensive might; some observers believe the award is a revival of a distinction that was conferred upon old Bolsheviks during the early days of Soviet power.

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[] Brezhnev responded with calculated modesty bordering on humility; he said he is not one "whose head can reel from praise" and attempted to characterize himself as a common man. He carefully accepted the awards in the name of the Soviet party and seemed to be trying to link his name directly with the party as a whole. Brezhnev made no mention of collective leadership and referred to the Politburo and Central Committee only once, when he pledged that their members would continue to work toward communist goals.

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25X1 [] Party Secretary Mikhail Suslov, the keynote speaker at the Kremlin reception, sought to introduce a note of collectivity into the otherwise one-man show. He produced necessary laudatory rhetoric but underlined Brezhnev's role as servant of the party and its Central Committee.

25X1 [] Suslov pointed out that the party had entrusted Brezhnev with his job and that the Soviet people saw in him the embodiment of the party's collective reason and will. He may have made his most telling point when he praised Brezhnev as a man able to listen to the opinions of his comrades.

25X1 [] The proceedings in Moscow were echoed in the provinces, where regional party leaders outdid each other in their accolades.

25X1 [] Congratulatory messages were received from all over the world, although China ignored the affair. There was one seeming oddity--North Korean President Kim Il-song announced that he was awarding Brezhnev the Order of the State Banner, 1st Class. Relations between North Korea and the USSR have been cool in recent years. []

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SINGAPORE: Pre-election Report

25X1 [] Singapore's voters will elect a new parliament tomorrow. Prime Minister Lee Kuan Yew's ruling party is likely to win handily, but some local observers are saying that the opposition may win some representation in parliament for the first time in many years.

25X1 [] The absence of opposition candidates for 16 of the 37 seats virtually assures Lee's victory. The parliament was dissolved on December 6, and the unorganized opposition given two weeks to get ready for the election.

25X1 [] There are no serious issues in the election, although there is some concern that slower economic growth may not sustain the prosperity that Singapore's nearly 2.5 million residents now enjoy. This concern is not sufficiently serious to threaten Lee or his party, but it will reinforce the Prime Minister's policy of placing more specialists and "technocrats" in the government whose expertise can guide the nation's growth.

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[redacted] During the brief campaign, some discussion has emerged about a successor for Lee. While Lee's leadership is unchallenged, there is some worry that if he should suddenly depart the scene, Singapore's political stability could be seriously jeopardized. Lee may provide some clues in the coming months on his plans for succession in order to allay this concern.

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CHILE: Finance Minister Resigns

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[redacted] The resignation of Chilean Finance Minister Jorge Cauas, the architect of the junta's economic recovery program, is not likely to bring a major shift in policy. His successor, Sergio de Castro, who is serving as economy minister, is a capable professional and a strong proponent of foreign investment to rebuild the Chilean economy.

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[redacted] Cauas, who has occupied the post since July 1974, was given a broad mandate in April 1975 by President Pinochet to push through austerity measures. The program has been criticized by ranking military officials and others who believe it entailed too high a social cost, but Pinochet continued to back Cauas.

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[redacted] After his resignation, Cauas was named ambassador to the US. [redacted]

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